New Zealand Honey Marketing Authority

21st Annual Report & Statement of Accounts

for Year Ended August 31st 1974



New Zealand Honey Marketing Authority

GENERAL MANAGER
CURTIS WICHT A.N.Z.I.M. Dip. M.

SECRETARY
C. W. CARR, A.C.A.

HEAD OFFICE, STORE AND PROCESSING PLANT
CNR. GARFIELD AND CHURTON STS., PARNELL, AUCKLAND

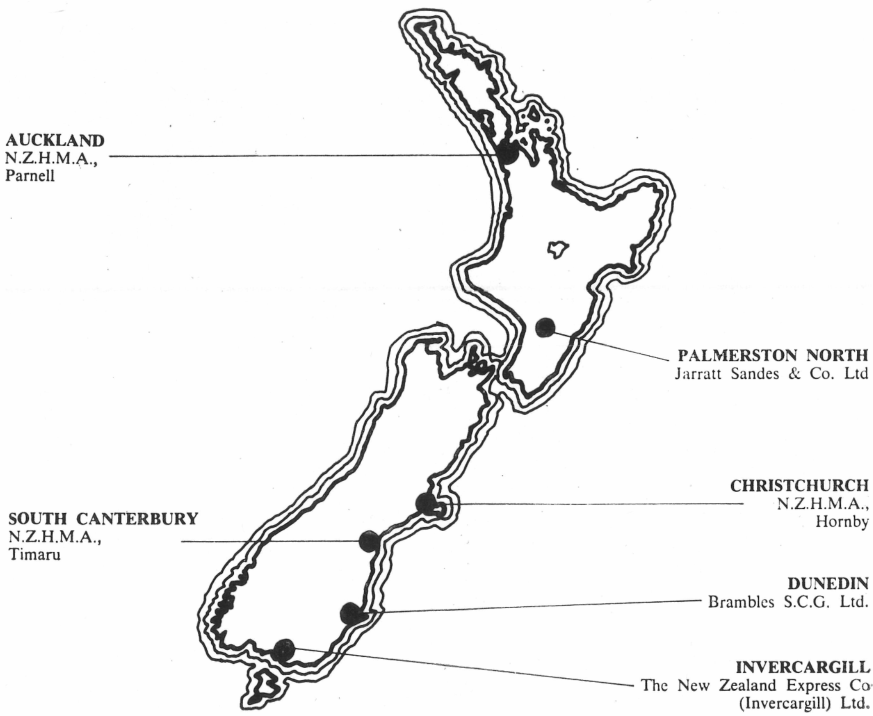
POSTAL ADDRESS	CABLE ADDRESS	TELEPHONE
P.O. BOX 2615,	"HONEYMARK"	362-574
AUCKLAND	AUCKLAND	AUCKLAND

BRANCH PROCESSING PLANTS

16 HORTON ROAD
PLEASANT POINT, TIMARU
PLANT MANAGER
W. MERRITT

235 BUCHANANS ROAD
HORNBY CHRISTCHURCH
PLANT MANAGER
J. OLYKAN

HONEY RECEIVING DEPOTS



NEW ZEALAND
HONEY MARKETING AUTHORITY

MEMBERS OF AUTHORITY
AS AT AUGUST 31 st, 1974

PRODUCER MEMBERS

R. F. POOLE, Christchurch (Chairman)
A. K. ECROYD, Christchurch (Deputy Chairman)
B. W. FORSYTH, J.P., N.D.Ap. (N.Z.) Ohaupo
F. A. BARTRUM, Pleasant Point Timaru

GOVERNMENT REPRESENTATIVE

E. W. LEE, A.C.A., Wellington

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NEW ZEALAND
HONEY MARKETING AUTHORITY

TWENTY FIRST ANNUAL REPORT

and

STATEMENT OF ACCOUNTS

The Hon. Minister of Agriculture and Fisheries,
Parliament Buildings,
WELLINGTON.

Dear Sir,

In accordance with Section 11 of the Primary Products Marketing Act, 1953, I am submitting to you the Annual Report of the N.Z. Honey Marketing Authority for the year ended August 31st, 1974.

Personnel of Authority:

The membership of the Authority is unchanged from that advised in my report to you last year.

Conditions of Supply:

With the change to metrication, the advance payment was expressed in cents per kilogram and some new incentive payments were offered this year.

The advance was 40c per kg. with an early delivery bonus of 1c per kg. for honey supplied up to 31/3/74, and ½c per kg. for honey supplied in April. A bonus of 1½c per kg. for water white honey (honey grading 0 to 9 mm on the Pfund scale) was also offered as was a freight allowance on honey where the supplier lives more than 50 miles from a branch or depot.

Production and Intake:

Very few areas reported above average crops, and many had lower crops than expected. As a result the intake to the Authority was only 1457 tonnes — 665 tonnes down on last year, and the lowest intake since 1968.

Payout:

In accordance with a directive from yourself, the Authority announced early in the year that the payout would be a minimum of 52c per kg. average, with a maximum — subject to trading results of 55c per kg. average. I am pleased to report that trading results allowed the higher figure to be paid, and this resulted in a payout of 56.62 cents per kg. for 100 point honey.

Marketing:

The high overseas prices which had been experienced last year were not maintained this year, due to a general downturn in world demand. However, as shown by the intake figure earlier in this report, the amount of honey the Authority had available for export was less than in recent years with the result that the lower overseas prices did not seriously affect the trading results. Sales within New Zealand continue to be satisfactory.

Land and Buildings:

Steps are being taken towards upgrading the Authority's packing plants to keep them on a high level as regards hygiene and productive capacity. Investigations are being pursued with a view to obtaining more suitable premises in Auckland for the Authority's operations.

Staff:

During the year the Authority's General Manager, Mr C. W. Carr asked to be relieved of his position, but wished to continue in the Authority's employ. Mr Curtis Wicht was appointed General Manager, and Mr Carr reverted to the position he had held some two years earlier of Secretary/Accountant.

Reserves:

After making the maximum payout permissable as referred to earlier, there remained a surplus from trading of $82,405 which was put into various reserve accounts, thus further strengthening the Authority's financial position.

Yours faithfully,

R. F. POOLE (Chairman)

FINANCIAL SECTION

REPORT OF THE AUDIT OFFICE

To the Chairman and Members of the New Zealand Honey Marketing Authority.

The Audit Office, acting under statutory authority, has audited the accounts of the New Zealand Honey Marketing Authority for the year ended August 31st, 1974.

The audit included such reviews of the accounting procedures and tests of the accounting records and other supporting evidence as were considered necessary in terms of Section 20, Public Revenue Act, 1953. All the information and explanations required have been obtained. The financial transactions which have come under notice have been within statutory authority.

In the opinion of the Audit Office the attached Balance Sheet together with the note thereon, the Income and Expenditure Account, Appropriation Account and Statement of Source and Application of Funds give a true and fair view of the state of affairs of the Authority as at August 31st, 1974 and of the results of the financial operations for the year.

G. J. CONNELLY, Deputy Controller and Auditor-General

3 December, 1974.

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31st AUGUST, 1974

1973			1974
1,742,144	**GROSS SALES**		1,008,339
129,056	Less Commissions and Delivery Charges	60,689	
128,370	Manufacturing and Processing Costs	159,039	219,728
1,484,718	**GROSS REALISATION**		788,611
—	Interest Received		5,665
1,484,718			794,276
	Less Other Expenses:		
10,219	Store Operating and Depot Charges	10,680	
17,175	Depot Handling	9,886	
46,464	Containers	38,461	
19,793	Freight and Cartage	15,641	
7,605	General Expenses	9,351	
5,335	Postage, Tolls, Telephones	4,443	
2,590	Printing and Stationery	4,196	
328	Repairs and Maintenance—Office Equipment	334	
28,281	Salaries and Superannuation	31,879	
2,052	Interest — Reserve Bank	235	
6,759	Interest — S.A.C. Loan	6,511	
5,816	Rates and Rent	3,845	
2,728	Insurance	2,754	
1,434	Repairs and Maintenance — Building	3,904	
7,391	Depreciation	5,043	
8	Advertising (Overseas)	452	
532	Marketing Board Election Expenses	737	
4,650	Marketing Board Honoraria	5,350	
4,313	Marketing Board Travelling Expenses	3,410	
336	Legal Expenses	370	
173,809			157,482
1,310,909			636,794
	VARIATION IN OPENING AND CLOSING STOCKS		
340,282	Opening Stock	280,680	
280,680	Closing Stock	509,079	
59,602			228,399
1,251,307	**NET REALISATION**		865,193
20,450	**Plus** Seals Levy (Net)	35,532	
	less payment N.B.A.	4,000	31,532
$1,271,757	Balance transferred to Appropriation Account		$896,725

APPROPRIATION ACCOUNT

FOR THE YEAR ENDED 31st AUGUST, 1974

1973			1974
1,271,757	Surplus transferred from Income and Expenditure A/C		896,725
	Less TRANSFERS TO RESERVES		
	Mortgage Redemption Reserve — Principal Repayments		
4,848	— Auckland	5,093	
—	—Timaru	209	
			5,302
25,000	Overhead Equalisation Reserve		25,000
282,690	General Reserve		52,103
959,219			814,320
5,806	**Less** Balance of Goodwill Written Off		—
$953,413	**BALANCE PAID TO SUPPLIERS**		$814,320

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 31st AUGUST, 1974

1973			1974
	Source		
1,271,757	Surplus of Income and Expenditure Account		896,725
7,391	Expense not requiring funds — Depreciation		5,043
1,279,148	Net Funds from Operations		901,768
953,413	Distributed to Suppliers		814,320
325,735	Net Funds Retained from Operations		87,448
5,300	Plus New SAC Mortgage on Timaru Property		—
$331,035			$87,448

1973			1974
	Application		
4,848	Mortgage Repayments — Auckland	5,093	
	— Timaru	209	5,302
42,778	Net Purchases of Fixed Assets		3,563
	Net Current Assets:		
(23,005)	Increase in Debtors	65,680	
(81,970)	Increase in Stocks	248,995	
144	Reduction in Creditors	7,251	
(104,831)		321,926	
	Less		
(284,295)	Reduction in Net Bank Balances	141,371	
(103,945)	Increase in Honey Suppliers Final Payment Due	101,972	
(388,240)		243,343	
283,409	Increase in Net Current Assets		78,583
£331,035			$87,448

BALANCE
AS AT 31st

1973				1974
	CURRENT LIABILITIES			
11,018	Trade Creditors		3,767	
114,704	Honey Suppliers Final Payment		216,676	
125,722	**TOTAL CURRENT LIABILITIES**			220,443
	RESERVES AND ACCUMULATED FUNDS			
83,040	Accumulated Funds		83,040	
80,000	Stock Fluctuation Account		80,000	
50,000	Overhead Equalisation Reserve		75,000	
283,460	General Reserve		352,063	
496,500	**TOTAL RESERVES AND ACCUMULATED FUNDS**			590,103
	LONG TERM LIABILITIES AND CAPITAL RESERVES			
180,000	Loans — S.A.C. — Auckland	180,000		
(47,666)	Less Repayments to 31.8.74	52,759	127,241	
5,300	S.A.C. — Timaru	5,300		
—	Less Repayments to 31.8.74	209	5,091	
57,665	Mortgage Redemption Reserve		62,967	
16,500	Plant Development Reserve		—	
211,799	**TOTAL LONG TERM LIABILITIES AND CAPITAL RESERVES**			195,299
834,021				$1,005,845

VALUATION OF UNSOLD

Unsold bulk honey stocks at 31st August, 1973 were valued at 11½ cents per lb. (25.35 cents per kg.)

Unsold bulk honey stocks at 31st August, 1974 were valued at

SHEET
AUGUST, 1974

1973			1974
	CURRENT ASSETS		
140	Cash on hand		140
	Bank Accounts:		
32,549	Bank of New Zealand No. 1 Account	5,761	
110,000	Bank of New Zealand No. 2 Account	—	
4,583	Reserve Bank	—	5,761
	Debtors		
26,234	Local	135,753	
70,583	Overseas	25,517	
18,737	Seals	19,964	181,234
	Honey Stock — **Auckland**		
47,956	Unsold Bulk Stock	423,060	
159,000	Forward Sales	47,136	470,196
	Honey Stock — **Christchurch and Timaru**		
46,405	Unsold Bulk Stock	10,314	
27,319	Forward Sales	28,569	38,883
	Stocks at Cost		
60,385	Containers, Packing & Other Materials		80,981
603,891	**TOTAL CURRENT ASSETS**		777,195

FIXED ASSETS — At Cost less Accumulated Depreciation

1973		Cost	Depreciation	Book Value	1974
20,850	Land	20,850		20,850	
180,108	Buildings	206,673	27,794	178,879	
22,081	Plant & Equipment	75,870	54,493	21,377	
2,400	Office Furniture and Equipment	11,431	8,148	3,283	
4,691	Loose Tools	4,261	—	4,261	
		319,085	90,435	228,650	
230,130	**TOTAL FIEXD ASSETS**				228,650
$834,021					$1,005,845

BULK HONEY STOCKS

standard value of 52 cents per kg. — the rate fixed by The Minister of Agriculture & Fisheries as the guaranteed minimum average payout for honey supplied to the Authority for the 1973/74 season.

R. F. POOLE
Chairman
22.11.74

FINANCIAL STATISTICS

A. ANALYSIS OF NEW ZEALAND TRADING

1973 Tonnes	1973 $		1974 Tonnes	1974 $
549	351,942	**New Zealand Sales — Gross Realisation**	780½	658,944
		Less Selling and Distributing Charges		
	6,942	Commission		18,856
	23,151	Freight and Cartage		26,301
549	321,849		780½	613,789

B. ANALYSIS OF OVERSEAS TRADING

1973 Tonnes	1973 $		1974 Tonnes	1974 $
		Overseas Sales — Gross Realisation		
498	314,658	Through Kimpton Bros Ltd	105	86,971
1328	1,075,544	Direct Sales	293	262,424
1826	1,390,202		398	349,395
		Less Charges to F.O.B. Freight and general		
	85,219	export expenses		12,863
	615	Marine Insurance		158
	10,938	Commission		2,511
	2,191	Incentive Commission		—
1826	1,291,239	Realisation ex-N.Z. Store	398	333,863
		Less Indirect Charges		
	—	Overseas Promotion and Advertising		452
1826	1,291,239		398	333,411

C. ANALYSIS OF CLOSING HONEY STOCKS

1973 Tonnes	1973 $		1974 Tonnes	1974 $
		Overseas		
160¼	117,977	Forward Sales (at estimated ex-store Valuation)	—	—
		New Zealand		
110	68,342	N.Z. Forward Sales (at estimated ex-store valuation)	83	75,705
372	94,361	Unsold (at standard valuation 1973—25.353c per kg., 1974 52c per kg.)	833½	433,374
642¼	280,680		916½	509,079

D. PARTICULARS OF HONEY LEVY REVENUE

1973 $		1974 $
669	Sales of Adhesive Weight Stickers	2,514
21,203	Seals Authorities — Waxed Carboard Containers	25,076
2,125	Seals Authorities — Canisters	6,105
1,489	Seals Authorities — Labels and other Sources	2,976
25,486		36,671

E. DISTRIBUTION OF HONEY LEVY

1973 $		1974 $
	Direct Costs of Collection	
144	Printing, etc.	441
	Appropriations	
4,000	Grant to National Beekeepers' Association of N.Z. Inc.	4,000
8	Advertising Honey in General	—
892	Financial Assistance Towards Industry Development	698
20,442	Balance Transferred to General Revenue	31,532
25,486		36,671

F. PARTICULARS OF DISTRIBUTION TO SUPPLIERS

1973 Kgs	1973 $		1974 Kgs	1974 $
67,981	20,470	**(a) Honey purchased from suppliers on Straight Purchase Basis**	5,962½	2,648
2,053,788	800,828	**(b) Advance Payments to suppliers at 40c per kg. flat. (1972/73: 39.683c per kg. for Honey Grading 86 points or better, 35.274c per kg. for 85 points to 76 points, and 30.864c per kg. for 75 points and below.)**	1,451,000	581,129
—	—	**(c) Premium Bonus for honey with Colour 0-9mm**		1,724
	17,411	**(d) Early Delivery Bonus**		12,143
	114,704	**(e) Final Payment to Suppliers**		216,676
2,121,769	953,413		1,456,962½	814,320

STATISTICAL SECTION

G. COMPARISON OF OVERALL AVERAGE PAYMENT PER Kg 10 YEARS 1964/1974

(EXCLUDING STRAIGHT PURCHASES AND BONUS PAYMENTS)

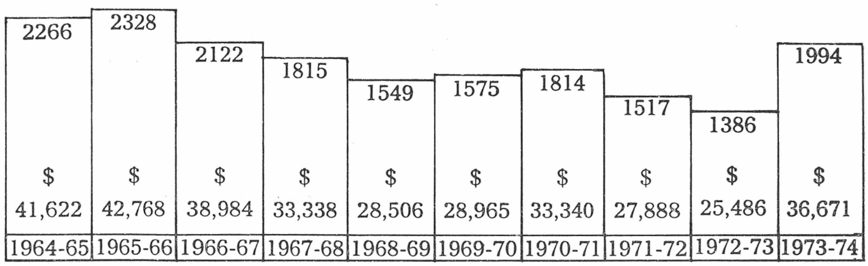
Season	Quantity Tonnes	Average Payout Points	Overall Average Payment per kg—c.	Season	Quantity Tonnes	Average Payout Points	Overall Average Payment per kg—c.
1964/65	1,318	89.32	24.78	1960/70	1,856	95.66	24.82
1965/66	720	89.75	24.96	1970/71	2,079	93.51	29.06
1966/67	569	88.29	24.40	1971/72	1,820	92.83	37.85
1967/68	287	93.22	28.77	1972/73	2,053	94.59	44.58
1968/69	1,968	96.45	24.98	1973/74	1,451	93.47	54.98

H. SEALS AND EQUIVALENT IN TONNES OF HONEY

(ALL FIGURES REPRESENT TONNES EXCEPT WHERE OTHERWISE SHOWN)

10 YEAR AVERAGE $33,756

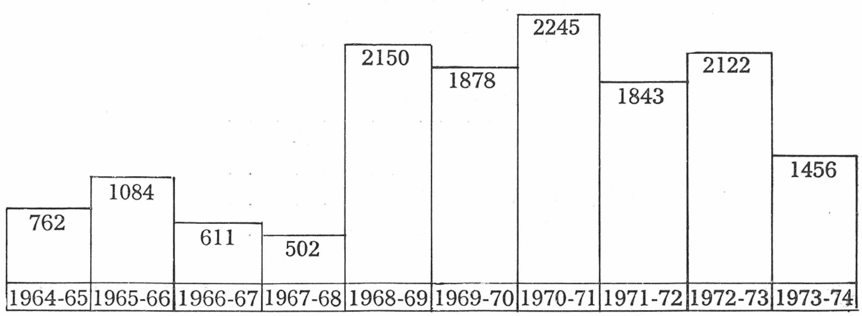
10 YEAR AVERAGE 1,836 TONNES



I. HONEY SUPPLIED TO AUTHORITY (IN TONNES)

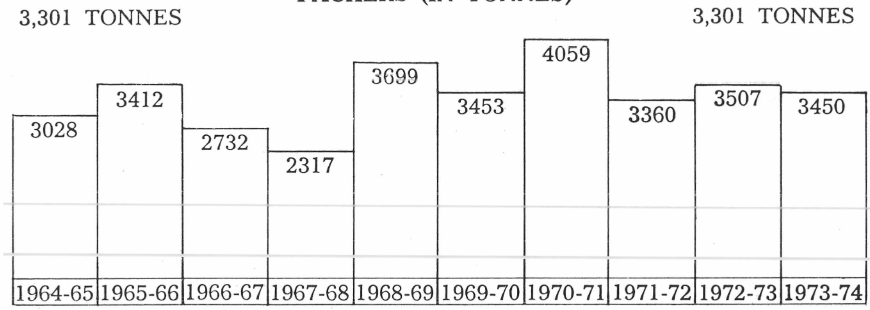
10 YEAR AVERAGE 1,465 TONNES

10 YEAR AVERAGE 1,465 TONNES



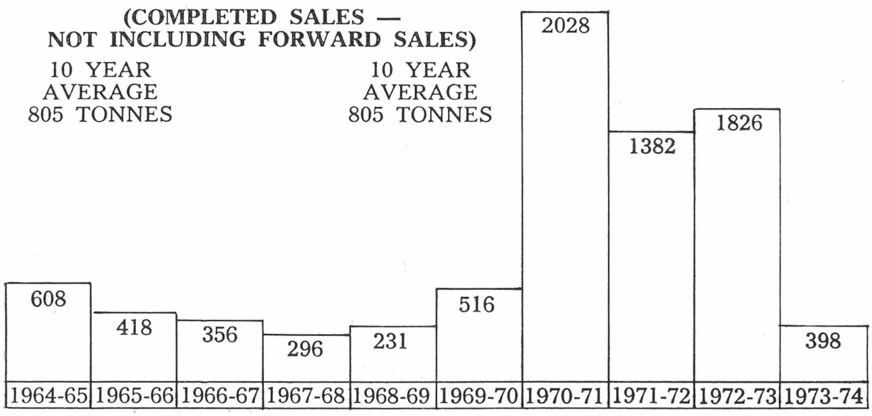
TOTAL H. AND I.

TOTAL ANNUAL TONNAGE OF HONEY ACCOUNTED FOR EITHER BY SUPPLY TO THE AUTHORITY OR LOCAL SALES ON WHICH SEALS LEVY WAS PAID BY PRODUCERS AND PACKERS (IN TONNES)



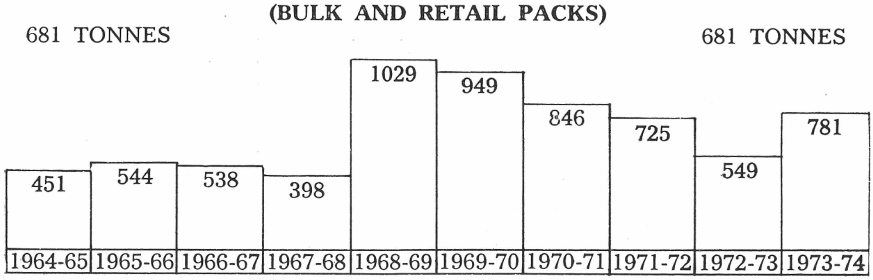
Note: The above figures do not include sales made by producers on which seals levy is exempt.

J. EXPORT SALES (IN TONNES) BY AUTHORITY



K. NEW ZEALAND SALES (IN TONNES) BY AUTHORITY

(BULK AND RETAIL PACKS)



L. PARTICULARS OF SUPPLY — 2 YEARS 1972/74

RECEIPTS — 2 YEARS 1972/74

	1973/74 Tonnes Received	1972/73 Tonnes Received
AUCKLAND	302	550
CHRISTCHURCH	——	270
TIMARU	——	157
INVERCARGILL	419	465
DUNEDIN	200	178
N.Z.H.M.A. HORNBY DEPOT	162	2
N.Z.H.M.A. PLEASANT POINT DEPOT	244	16
CHRISTCHURCH BRANCH	11	39
TIMARU BRANCH	88	312
PALMERSTON NORTH	30	132
	1456	2121

GRADINGS OF HONEY SUPPLIED — 2 YEARS 1972/74

	1973/74 Tonnes	1972/73 Tonnes
WHITE	1002	1345
EXTRA LIGHT AMBER	226	376
LIGHT AMBER	186	304
MEDIUM AMBER	41	77
DARK AMBER	1	19
	1456	2121

M. PARTICULARS OF SALES COMPLETED DURING YEAR ENDED AUGUST 31st, 1974

GRADING OF HONEY SOLD OVERSEAS 1973/74

	Tonnes
BULK—WHITE	145
EXTRA LIGHT AMBER	16
LIGHT AMBER	46
MEDIUM AMBER	51
DARK AMBER	7
RETAIL PACKS:	
"IMPERIAL BEE" BRAND	36
NAMED FLORAL SOURCES	87
BRANCHES "HOLLANDS", "MEADOWCROFT"	10
	398

LOCAL SALES DURING YEAR ENDED AUGUST 31st, 1974

GRADINGS	Tonnes
BULK—EXTRA LIGHT AMBER	12½
LIGHT AMBER	15
MEDIUM and DARK AMBER	½
TOTAL BULK	28
RETAIL PACKS:	
"IMPERIAL BEE" BRAND	125½
"HONEYGOLD" BRAND	36
NAMED FLORAL SOURCES	70½
BRANCHES "HOLLANDS", "MEADOWCROFT", "3 BEES", "CLOAKES"	471
TOTAL	781

N. PARTICULARS OF CLOSING HONEY STOCKS FORWARD AND UNCOMPLETED SALES AS AT AUGUST 31st, 1974

Overseas		Tonnes	Gradings		Tonnes
Japan	—	(160¼)	WHITE	—	(79)
Local	83	(110)	EXTRA LIGHT AMBER	1	(25)
			LIGHT AMBER	—	(18)
			MEDIUM and DARK AMBER	—	(34)
			THYME	—	(9¼)
			"IMPERIAL BEE" RETAIL PACKS	14	(14)
			"HONEYGOLD" RETAIL PACKS	3	(10)
			"SELECTED SOURCES" RETAIL PACKS	31	(34)
			BRANCHES "HOLLANDS", "3 BEES", "CLOAKES", MEADOWCROFT" RETAIL PACKS	34	(47)
	83	(270¼)		83	(270¼)

Note: 1972/73 figures in parenthesis.

UNSOLD AS AT AUGUST 31st, 1974 HELD IN NEW ZEALAND

	Tonnes	
BULK—WHITE	613	(208)
EXTRA LIGHT AMBER	38	(61)
LIGHT AMBER	69½	(37)
KAMAHI	27	(9)
RATA	10	(30)
MANUKA	15	(11)
BUTTERCUP	—	(6)
REWAREWA	9	(—)
TAWARI	8	(3)
MANUFACTURING	31	(2)
NIUE	13	(5)
	883½	(372)

HONEY MARK

Trade Mark of the
New Zealand Honey Marketing
Authority [Registration Pending]